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UniSourceEnergy
SERVICES

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2014 MAY -1 P 3: 50

AZ CORP COMMISSION
DOCKET CONTROL
May 1, 2014

Arizona Corporation Commission

DOCKETED

MAY 01 2014

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

ORIGINAL

DOCKETED BY

Re: UNS Gas, Inc.'s Request for Approval of Rider R-6 Lost Fixed Cost Recovery Tariff
Docket No. G-04204A-11-0158

Pursuant to Arizona Corporation Commission ("Commission") Decision No. 73142 (May 1, 2012) and Section 4 of UNS Gas, Inc.'s ("UNS Gas") approved Plan of Administration for Lost Fixed Cost Recovery ("LFCR"), UNS Gas hereby files the calculated annual LFCR adjustment, and supporting Schedules consisting of the following: 1) LFCR Annual Adjustment Percentage; 2) LFCR Annual Incremental Cap Calculation; 3) LFCR Calculation; 4) LFCR Test Year Rate Calculation; and 5) Delivery Revenue Calculation. Also attached is a clean and redlined copy of the UNS Gas Rider R-6 Tariff

In accordance with Decision No. 73936 (June 27, 2013), UNS Gas incorporated the 2012 deferred Lost Fixed Cost Revenues into the 2014 LFCR rate. The LFCR rate that is effective July 1, 2014 will be 0.0695%. Based on an average monthly usage of 70 therms, UNS Gas estimates that this will result in an increase of approximately \$0.05 on a residential bill.

UNS Gas respectfully requests that the Commission approve the LFCR rate of 0.0695% for implementation of the rate by July 1, 2014.

If you have any questions, please contact me at (520) 884-3680.

Best regards,

Jessica Bryne
Regulatory Services

cc: Barbara Keene, ACC
Compliance Section, ACC

LFCR SCHEDULES

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 1: LFCR Annual Adjustment Percentage
(\$000)

Line No.	(A) Annual Percentage Adjustment	(B) Reference	(C) Total
1.	Total Lost Fixed Cost Revenue for Current Period	Schedule 2, Line 13	\$ 76,356
2.	Applicable Company Revenues	Schedule 2, Line 1	109,887,342
3.	% Applied to Customer's Bills	(Line 1 / Line 2)	0.0695%

Note:

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 2: LFCR Annual Incremental Cap Calculation
(\$000)

Line No.	(A) LFCR Annual Incremental Cap Calculation	(B) Reference	(C) Totals
1.	Applicable Company Revenues		\$ 109,887,342
2.	Allowed Cap %		1.00%
3.	Maximum Allowed Incremental Recovery	(Line 1 * Line 2)	\$ 1,098,873
4.	Total Lost Fixed Cost Revenue	Schedule 3, Line 22, Column C Previous Filing, Schedule 2, Line 11, Column C	\$ 66,592
5.	Total Deferred Balance from Previous Period		9,765
6.	Annual Interest Rate		0.00%
7.	Interest Accrued on Deferred Balance	(Line 5 * Line 6)	-
8.	Total Lost Fixed Cost Revenue Current Period	(Line 4 + Line 5 + Line 7)	\$ 76,356
9.	Lost Fixed Cost Revenue from Prior Period	Previous Filing, Schedule 2, Line 13, Column C	\$ -
10.	Total Incremental Lost Fixed Cost Revenue for Current Year	(Line 8 - Line 9)	\$ 76,356
11.	Amount in Excess of Cap to Defer	(Line 10 - Line 3)	\$ -
12.	Incremental Period Adjustment as %	[(Line 10 - Line 11) / Line 1]	0.0695%
13.	Total Lost Fixed Cost Revenue for Current Period	(Line 8 - Line 11)	\$ 76,356

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 3: LFCR Calculation
(\$000)

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units
	Residential			
	Energy Efficiency Savings			
1.	Current Period		169,340	therms
2.	% of Residential Customers on Opt-Out		0.0%	
3.	Excluded therms reduction	(Line 1 * Line 2)	-	therms
4.	Net - Current Period	(Line 1 - Line 3)	169,340	therms
	Previous Filing, Schedule 3, Line 4,			
5.	Prior Period	Column C	-	therms
6.	Verified	Trues up forecasted months	-	therms
7.	True-Up Prior Period	(Line 6 - Line 5)	-	therms
	(Previous Filing, Schedule 3, Line 8,			
8.	Cumulative Verified	Column C + Line 6)	-	therms
9.	Total Recoverable EE Savings	(Line 4 + Line 7 + Line 8)	169,340	therms
10.	Residential - Lost Fixed Cost Rate	Schedule 4, Line 3, Column C	\$ 0.3361	\$/therm
11.	Residential - Lost Fixed Cost Revenue	(Line 9 * Line 10)	\$ 56,915.32	
	Small Volume (Commercial & Public Authority)			
	Energy Efficiency Savings			
12.	Current Period		34,095	therms
13.	Excluded therms Reduction			therms
14.	Net - Current Period	(Line 12 - Line 13)	34,095	therms
	Previous Filing, Schedule 3, Line 14,			
15.	Prior Period	Column C	-	therms
16.	Verified - Prior Period		-	therms
17.	True-Up Prior Period	(Line 16 - Line 15)	-	therms
	(Previous Filing, Schedule 3, Line 18,			
18.	Cumulative Verified	Column C + Line 16)	-	therms
19.	Total Recoverable EE Savings	(Line 14 + Line 17 + Line 18)	34,095	therms
20.	Small Volume - Lost Fixed Cost Rate	Schedule 4, Line 6, Column C	\$ 0.2838	\$/therm
21.	Small Volume - Lost Fixed Cost Revenue	(Line 19 * Line 20)	\$ 9,676.20	
22.	Total Lost Fixed Cost Revenue	(Line 11 + Line 21)	\$ 66,591.52	

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 4: LFCR Test Year Rate Calculation
(\$000)

Line No.	(A) LFCR Fixed Cost Calculation	(B) Reference	(C) Total
Residential Customers			
1.	Delivery Revenue	Schedule 5, Line 3, Column E	\$ 24,047,052
2	therms Billed	Schedule 5, Line 3, Column B	71,539,376
3	Lost Fixed Cost Rate	(Line 1 / Line 2)	\$ 0.3361
Small Volume			
4	Delivery Revenue	Schedule 5, Line 6, Column E	\$ 9,429,053
5	therms Billed	Schedule 5, Line 6, Column B	33,228,683
6	Lost Fixed Cost Rate	(Line 4 / Line 5)	\$ 0.2838

UNS Gas , Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 5: Delivery Revenue Calculation
(\$000)

	(A)	(B)	(C)	(D)	(E) B x D
Line No.	Rate Schedule	Adjusted Test Year Billing Determinants	Units	Delivery Charge	Total Revenue
1.	Residential Service (R10)	66,743,461	therms	\$ 0.3434	\$ 22,919,705
2.	Residential Service (R12)	4,795,915	therms	\$ 0.2351	\$ 1,127,348
3	Totals	71,539,376	therms	\$	24,047,052
4	Small Volume Commercial (C20)	28,038,968	therms	\$ 0.2837	\$ 7,954,655
5	Small Volume Public Authority (PA40)	5,189,714	therms	\$ 0.2841	\$ 1,474,398
6	Totals	33,228,683	therms	\$	9,429,053

Note: Delivery charge for rate R-12 is the weighted average of 1,332,117 therms at \$0.3434 and 3,463,797 therms at \$0.1934

LFCR
Rider R-6



UNS Gas, Inc.

First Revised Sheet No.: 706

Superseding Original Sheet No.: 706

**Rider R-6
Lost Fixed Cost Recovery (LFCR)**

APPLICABILITY

The Lost Fixed Cost Recovery (LFCR) will be applied to all customers taking service from the Company on the following Standard Offer tariffs and as defined in the Company LFCR Plan of Administration. In the event a residential customer chooses to opt-out of this program, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the following per therm rate.

Residential Service R-10

Small Volume Commercial Service C-20

Customer Assistance Residential Energy Support (CARES) R-12

Small Public Authority Service PA-40

CHANGE IN RATE

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing Commission mandated Energy Efficiency programs. A percentage charge will be placed in effect and charged to the participating rate classes for a 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 1% of the Company's most recent Calendar Year Revenues for the participating Rate classes.

An LFCR charge of 0.0695% will be applied to all monthly net bills.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire UNS Gas Service Area

Rate: R-6
Effective: PENDING
Decision No.: PENDING



UNS Gas, Inc.

First Revised Original Sheet No.: 706

Superseding Original Sheet No.: 706

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~~The An LFCR adjustment charge of 0.0695% shall will be applied to all monthly net bills as a percent and is anticipated to occur on or around July 1, 2013.~~

TAX CLAUSE

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District: Entire UNS Gas Service Area

Rate: R-6
Effective: May 1, 2012 PENDING
Decision No.: 73142 PENDING